

# Wyoming Business Alliance

## Week Two - 64th Wyoming Legislature January 21, 2017

### Legislative Week Two

#### OVERVIEW

The Wyoming Legislature is now at nearly full speed. There are two strategies unfolding: 1.) Close the General Fund gap of \$146 million despite cuts of 10% plus already in the \$3 billion biennium budget and 2.) Figure out how to come up with between \$360 and \$400 million yearly in the K-12 formula driven budget.

#### EDUCATION

By way of a backgrounder, the most revealing data came forth on Tuesday at a special K-12 education briefing led by Michael R. O'Donnell, Special Assistant Attorney General. He conveyed the one reality all in the room knew--"school finance is driving the state's deficits" and the "legislature has to act now because the crisis is here today."



**Michael R. O'Donnell, Special Assistant  
Attorney General**

How to solve the problem is the \$400 million question. The roles of the legislature are threefold: establish what is required to educate all students, decide on the vehicles to achieve this, and provide the money. Some 12 years ago, after years of lawsuits, the legislature approved a set of extensive recommendations. These were based on much research from the state's education consultants. These consultants, according to O'Donnell, said, "if Wyoming adopted the recommendations student performance would double."

Not many today would say that has happened and with the education funding crisis today at hand the legislature has choices to make: look at the funding model to see what things can be changed or increase taxes.

Of course overshadowing the legislature's decision-making processes is the State's Constitution which says K-12 education comes first and therefore above other

functions like highways, health, social services and economic development. Changing the Constitution is a possibility, but that would be an enormous and contentious battle.

Reducing K-12 spending may be doable but what would be the framework? We know that Wyoming's spending of \$15,700 per pupil on average is between \$5K and \$9K greater than the seven other states in our region but what we don't know is why our high school graduation rate of 79% is lower than the regional average of 84%. Tough choices and the need for public understanding.

### **OTHER ISSUES**

Efforts to help basic Wyoming's industries through two bills in the House Revenue Committee were defeated by 8-1 margins. HB 104 sought parity for coal severance taxes, reducing them from 7% to 6% which is what oil and gas pay. Coal of course and its woes is a major determinant in eroding K-12 funding. The other, HB 134, sought to lower industrial/manufacturing assessment rates for new businesses--5 3/4% for the first three years, 9 1/2% for several years after and then to the current 11%.



**Revenue Committee**

Regarding the established and locally approved lodging tax to help fund tourism promotion, there were efforts to alter the tax. These two bills were defeated--HB 149 by 8-1 and HB 102 for failure to have a second on the motion. The Wyoming Business Alliance spoke in opposition to both bills.

American Indian Education to be taught in the K-12 curriculum HB 76 was approved despite education community establishment opposition. The Business Alliance spoke in favor, commenting on the importance of cross-cultural understandings achieved through Leadership Wyoming sessions.

Civics Proficiency Education --HB 133--was defeated in the House Education Committee 5-4. This bill would have required passage of test similar to the one given to foreigners seeking US citizenship. The basic test is seen as but one pathway for greater adult/citizen civic engagement, including voting. It was opposed by K-12 and post-secondary institutions. The Business Alliance spoke in favor pointing out that appreciation of citizenship needs to be strengthened.

### **SIDE NOTES**

The Senate Education Committee approved 5-0 SF 73 which increased standards by pushing for the fourth year of math or a computer science course. Given that about 50% of all incoming freshman have to take remedial math this seemed like a clear, helpful step. Opposition came forth for a variety of reasons (local control, local resources, etc.) and the bill was defeated in the Senate 19-9.

In the House, the ski safety bill--HB 32--narrowly got through the body on Friday on the first go round. It is shaping up to be a classic tension between trial lawyers and business (ski operators in this case) over liability and lawsuits.

## LASTLY

This coming week will likely see in bill form two important and positive initiatives: ENDOW--the long-range 20-year economic diversification effort and a "fresh eyes" outside look at government efficiency/spending--an essential as the legislature strives to balance the General Fund and K-12 budgets. The Business Alliance supports both and issued an email communication to the Governor and Legislative Leadership signed by 12 associations regarding the necessity of the efficiency study.

## Legislative Bill Matrix

### [Download the Bill Tracker for Week II](#)

The Wyoming Business Alliance Legislative Matrix is attached with the bills being tracked and a status on where they are in the legislative process. It is divided into six categories either being supported in green, opposed in red or being monitored in black. Please let us know if there are any bills of interest to you not represented so we can list them in the future.

### I. ECONOMIC STRENGTH BILLS

1. **HB0004 NRC agreement state amendments. (Support)**
2. **HB0032 Ski Safety Act.(Support)**
3. **SF0070 Manufacturing machinery exemption sunset date. (Support)**
4. SF0024 Film industry financial incentive program. (Monitor)

### II. QUALITY OF LIFE BILLS

1. **SF0050 Civics educational programs. (Support)**
2. SF0069 Small employer health reinsurance program amendments. (Monitor)
3. **HB0133 Civics proficiency examination. (Support) - Failed in Committee**

### III. INFRASTRUCTURE DEVELOPMENT

1. HB0052 Governmental immunity-cooperative public transportation. (Monitor)
2. HB0086 Omnibus water bill-construction. (Monitor)
3. HB0118 Purchase of water rights and facilities. (Monitor)
4. SF0003 Transfer of water funds. (Monitor)
5. SF0051 Approval of water funds transfer. (Monitor)
6. SF0056 Omnibus water bill-planning.(Monitor)
7. SF0058 Instream flow rights-acquisition. (Monitor)
8. SF0071 Electricity production standard. (Monitor)
9. SF0080 Instream flow rights-acquisition-2. (Monitor)

### IV. GOVERNMENT SPENDING AND TAXES

1. **HB0105 LSRA-limitations on appropriations. (Support)**
2. **HJ0002 Balanced budget amendment-resolution. (Support)**
3. **HJ0006 Budget shortfall reserve accounts. (Support)**
4. HB0010 Oil and gas tax reporting. (Monitor)
5. HB0013 Investment of public funds. (Monitor)
6. HB0060 State investment policy. (Monitor)
7. HB0067 Determination of agricultural land for taxation. (Monitor)
8. HB0082 Local optional sales and use taxes. (Monitor)

9. HB0104 Severance tax on coal. (Monitor) -Failed in Committee
10. HB0127 Wind energy production tax-2. (Monitor)
11. HJ0005 Mineral excise tax deposits-constitutional amendment. (Monitor)
12. SF0041 Enterprise technology services amendments.(Monitor)
13. HB0012 Tax exemption repeals. (Monitor) - Failed in Committee
14. HB0102 Lodging tax rate. (Oppose) - Failed in Committee
15. HB0104 Severance tax on coal. (Monitor) -Failed in Committee
16. HB0134 Taxable value of industrial property. (Monitor) - Failed in Committee
17. HB0149 Lodging tax distribution. (Oppose) - Failed in Committee

## **V. PUBLIC LANDS**

1. SF0072 2017 Large project funding. (Monitor)
2. SF0078 Federal natural resource policy account. (Monitor)
3. SJ0002 Federal land wind and solar energy revenue-state share. (Monitor)

## **VI. EDUCATION**

1. **HB0027 School facility property insurance. (Support)**
2. **HB0076 American Indian education program. (Support)**
3. **HB0108 School finance-K-12 class sizes. (Support)**
4. **HB0110 Education-continuing contract status. (Support)**
5. **SF0037 Education-Hathaway scholarship program-2. (Support)**
6. **HB0126 Elementary school foreign language requirement. (Oppose)**
7. HB0037 Teacher accountability. (Monitor)
8. HB0040 Education accountability. (Monitor)
9. HB0058 School facilities appropriations. (Monitor)
10. SF0036 Education-leader evaluation and support. (Monitor)
11. SF0114 Education reform. (Monitor)
12. SF0073 High school graduation requirements. (Support) - Failed on the Floor

Best regards,

**Bill Schilling**  
President

**Wyoming Business Alliance/Wyoming Heritage Association**

## **Wyoming Business Alliance**

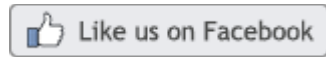
The Wyoming Business Alliance is a statewide nonprofit organization representing the voice of business in the state. It is dedicated to promoting and advocating for a growing economy by connecting business leaders from across Wyoming, representing business interests and issues, and partnering with key

business organizations and trade associations. The organization was founded in 1979 as Wyoming Heritage Society and Wyoming Heritage Foundation. Policies for the Wyoming Business Alliance are set by our Steering Committee. The Steering Committee has 45 members who serve for three-year terms, plus 18 leaders from state business and trade organizations. Visit [www.wyomingbusinessalliance.com](http://www.wyomingbusinessalliance.com).



[www.wyomingbusinessalliance.com](http://www.wyomingbusinessalliance.com)

STAY CONNECTED:



Wyoming Business Alliance, 145 S. Durbin Suite 101, Casper, WY 82601

[SafeUnsubscribe™ {recipient's email}](#)

[Forward this email](#) | [Update Profile](#) | [About our service provider](#)

Sent by [wyba@wyomingbusinessalliance.com](mailto:wyba@wyomingbusinessalliance.com)